## Leap Year 2020: Why You Should Prepare Your Billing Now



At one point or another, we all wish for more time-more time to spend with family and friends, more time catch up on overdue work, or more time to simply enjoy what we love doing most. Well, next year, you do! 2020 year is a leap year-giving you one extra day to enjoy however you wish.

And while February $29^{\text {th }}, 2020$ may seem a long way off from today, those ancillary 24 hours may interfere with your billing process NOW unless you take proper action.

## Don't Let Your Billing Leap Out of Control

Depending on your billing schedule, leap day 2020 may soon cause a change to your billing calculations. If you bill based on the number of days in a year, the upcoming leap year will cause the actual number of days you bill jump by one to 366 days. Simply stated, because of this one extra day added to our calendars, you will bill your clients for one more day than you might intend to. If your firm charges annual, one-time financial planning fees, you may have already noticed the change in calculations. Firms that bill in advance, either semi-annually or quarterly, can also expect to be impacted soon.

## How to Get Ahead of Your Leap Year Billing

Fortunately, ensuring that your billing stays on track during a leap year isn't as complicated as calculating Earth's actual revolutions around the sun (the reason
why leap years exist, for those that wanted a refresher).
To update your billing so that your clients are not billed for an extra day in 2020, simply contact the Orion SME Billing team and say "update the leap year entity option to ignore the leap day". That way, your clients will not be billed for an additional day of service.

## Leap Year: The Perfect Time to Review Your Billing Methodology

And, what's a billing blog without a little insight into billing best-practices? As an advisor, you have multiple options when it comes to calculating fees for your clients. You can choose to calculate feeds fees in arrears (bill for past months) or in advance (bill for future months). You can also select various valuation methods; the two most common methods are by Average Daily Balance (just like it sounds, bill on the average amount in an account over a period of time) or Period Ending (bill on the amount in an account on the last day of the quarter).

Check out our recent post where we'll explain not only why billing in Arrears with Average Daily Balance is the best practice for most advisors but also highlight the core benefits of switching to this method and identify compliance and revenue considerations.

Ready to make sure your client accounts are ready for leap year billing? Click here to log into Orion Support and chat with our SME Billing Team.

